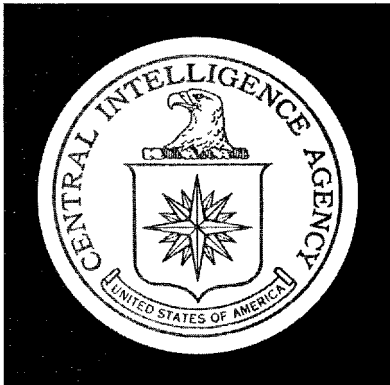


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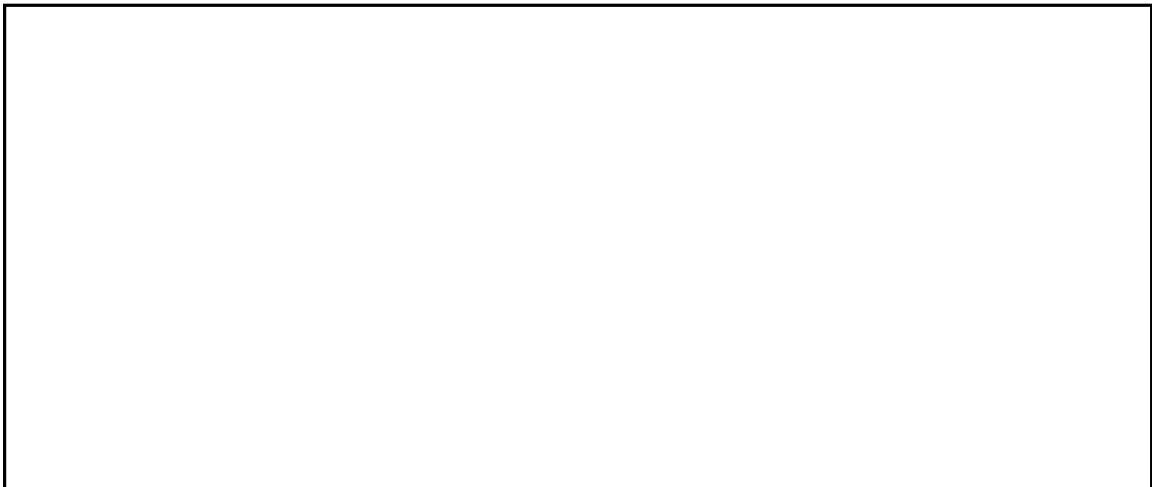
[Vietnam:

South Vietnam: Fighting was focused in the central highlands on 30-31 May.

Several bombardments and ground probes were thrown against US fire-support bases in Kontum Province. One assault saw the first enemy use outside I Corps of 100-mm. artillery fire. The weapon has a range of nearly 13 miles.

Sharp fighting has continued on the fringes of Saigon during the past few days as the Communists attempt to gain a foothold within the urban area. Much of the action appears to be in the Cholon area where exchanges of fire between enemy infiltrators and the police have created a stream of refugees.

The task of countering the enemy harassment will apparently continue to fall on the police and regular military forces. According to the mayor of Saigon, the program to arm and organize a large body of youth and civil servants to participate in a self-defense force for Saigon is still not off the ground.



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[France: Tensions have eased following De Gaulle's latest initiatives, and although further violence is possible, prospects appear better for a return to order.

Opposition political leaders have failed to issue any new and dramatic challenge to government authority despite their condemnation of De Gaulle's speech of 30 May as a "call to civil war." Instead they have begun earnest preparations for parliamentary elections which are now scheduled for late June. The Federation of the Left did announce, however, that it will organize citizen action groups on a national basis to counterbalance Gaullist "committees of civic action," and eventual clashes between these rival groups remain a possibility.

Union leaders are also having second thoughts after their initial angry denunciations of De Gaulle's speech, and many foresee the end of the strike movement by the middle of next week. They are now stressing that the political demands of the strikers should be transferred to the electoral campaign, and that labor should concentrate on working out satisfactory agreements with individual employers.

The mood of the rank and file is not yet evident, but even young labor militants who have campaigned for a worker-student alliance now sense a climate of detente. These dissidents hope, however, that workers in certain key factories will revive earlier militancy by provoking a clash with government forces. Many student revolutionaries share the views of these young workers, but the cancellation of a student demonstration scheduled for 31 May suggests a possible loss of momentum.

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Czechoslovakia: The Defense Ministry has broadcast unusual details about preparations for a Warsaw Pact exercise next week, probably to allay fears of Soviet intervention.

The ministry said that preparations are under way for the previously announced "command-staff" Warsaw Pact exercise and that Soviet communications troops are moving into Czechoslovakia. The statement, broadcast by Radio Prague's domestic and foreign services, emphasized the staff aspects of the exercise and played down the role of regular troops. The troops used, the statement added, will be mainly from the Czechoslovak Army and will serve as representative "marker units."

Some of the more outspoken newspapers in Czechoslovakia have reflected a general apprehension in recent weeks over Western press reports that the Soviet Army would intervene in Czechoslovakia, if requested. On 31 May, the Socialist Party organ complained that the Defense Ministry had not provided sufficient detail concerning the coming exercise.

* * * *

Only limited information is available so far on the Czechoslovak central committee plenum, which moved into its third day yesterday. Some central committee members, including heretofore conservative-leaning presidium member Emil Rigo, called upon those who supported Novotny and those who have "discredited" themselves to resign before the extraordinary congress convenes in September.

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Canada - Communist China: Ottawa apparently intends to try to establish diplomatic relations with Peking.

Prime Minister Trudeau has made recognition of Communist China a major theme in the current election campaign, although he has stated that account must be taken of the "separate government in Taiwan." By promising action, he has sought to distinguish his position from that of the previous government, which supported recognition of Peking but did little to promote it.

Ottawa has not yet opened negotiations with Peking but may soon. As a first step, various Canadian embassies are being consulted on the subject.

Public opinion in Canada has long overwhelmingly supported recognition of Peking. The major opposition party favors such action, although, if elected, it would probably be slower to initiate formal negotiations.

Peking has shown interest in Trudeau's comments through several Chinese contacts with Canadians. The Chinese may welcome a move by Ottawa, although they will almost certainly insist that Canada first break relations with Taiwan. Trudeau says that he will not do this, but probably hopes that Taipei will solve the problem for him by breaking with Ottawa.

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South Korea: President Pak may be faced with serious factional in-fighting in his Democratic Republican Party.

In a sudden move, party chairman Kim Chong-pil submitted to Pak his resignation from the party. If accepted, the resignation would also strip Kim of his National Assembly seat. The action by Kim is probably tied to Pak's recent expulsion from the party of one of Kim's leading followers. Pak appeared to have been stimulated in that move by Kim's opponents in the regime, who are trying to frustrate his ambition to succeed Pak in 1971.

Whatever Kim's reasons for wanting to resign, his action seems to confront Pak with a choice of restoring Kim's power within the party or of risking an open break with a dissident faction loyal to Kim.



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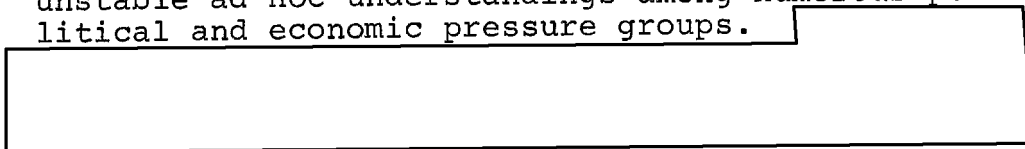
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Ecuador: A large turnout is expected for the presidential election on 2 June, the first since 1960.

The three major candidates--demagogic Jose Maria Velasco, conservative Camilo Ponce, and center-leftist Andres Cordoba--have fought a hard, emotional campaign, and the results are expected to be close. Changes in voting procedures will probably guarantee relatively honest results. The armed forces have remained aloof and are expected to play no role other than to guarantee order. It appears that the election will be held without major incident, but some postelectoral disturbance is possible.

The new congress, also to be elected on 2 June, will probably contribute little toward government stability. The president--whoever he is--will probably not have congressional support and will have to govern on the basis of traditionally unstable ad hoc understandings among numerous political and economic pressure groups.



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Peru: The crisis that resulted in the resignation of the cabinet on 29 May points up the severity of President Belaunde's problems.

Prime Minister Ferrero cited the "obstinacy of the opposition parties" in refusing to act on the executive's tax proposals as the reason for his resignation. Ferrero's replacement, Osvaldo Herccelles, is a medical doctor who once served as minister of public health. The remainder of the new cabinet is made up of military men, technicians, and other nonpolitical figures.

The opposition had been calling for a nonpolitical cabinet of "national unity," but the new cabinet is unlikely to bring the government added support. [The US Embassy comments that the new cabinet contains some good elements but does not immediately inspire confidence.]

There is still basic disagreement between the executive and congressional leaders as to the best means of dealing with Peru's economic problems. The Senate, which favors spending cuts rather than higher taxes, has voted to ask the executive to repeal a recent decree that placed new taxes on imports. Congress seems unlikely to deal with the economic crisis on its own unless there is a clear threat of military intervention in the government.

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Lebanon: Beirut is bracing for possible clashes between Christians and Moslems in the wake of the abortive assassination attempt yesterday on former president Shamun, a Christian. Several scuffles reportedly have already occurred, Christian groups are said to be arming and staging demonstrations, and Moslems are organizing counterdemonstrations. Many areas of the city have been sealed off and barricaded. The US Embassy believes, however, that security forces will be able to maintain order. [REDACTED]

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Sierra Leone: Security conditions are deteriorating as a result of mounting tensions between Sierra Leone's two major tribal groups, the Temne and the Mende. In the undisciplined army Temne tribesmen have arrested several Mende members of the "sergeants' junta" which in April jailed the army's officers and ousted the military government. In the north, the Temne have been instigating crowds and hoodlums against local chieftains who openly supported a former civilian regime dominated by the Mende. Prime Minister Siaka Stevens' new government has dispatched extra police to the north to deal with the violence, but the government will be hard pressed if the disorders spread. [REDACTED]

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Senegal: Response to a call for a general strike issued by the National Union of Senegalese Workers late 30 May has been incomplete, and some essential services continue to function. Government troops were called in yesterday to disperse looting and rioting crowds, apparently composed mainly of unemployed youths who rampaged through downtown Dakar. French troops stationed in Senegal have been deployed to guard strategic facilities in the capital. President Senghor, blaming outside forces for provoking the troubles, has appealed to the nation to rally to its government. He has proclaimed a national state of emergency and a dusk-to-dawn curfew. [REDACTED]

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